

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office

March 8, 2000

LB 1253

decide what is or is not a medical necessity. Let me tell you a little bit about how a claim would rise and why the dentists and insurance companies are copacetic with this language. The dentist would conclude that it rose from a medical necessity. They would tell the parents. The parents would ask for a preauthorization, under most insurance policies, and the insurance policy probably already has this promise: I, the insurance company, promise that I will cover hospitalization which is medically necessary. The promise runs from the insurance company to the insurer. Then, with the preauthorization, you'd find out whether or not the insurance company agreed that it was medically necessary. In fact, the dentists say they have no difficulty with that because they'll be able to meet that...that burden. But should they be declined, dentist able to call up a doctor, by the insurance company, able to confer about this case, sending records back and forth. There is a medical person on the other end of the phone answering the question, why they do not see it as a medical necessity. In the event one felt they were unfairly or inappropriately treated on medical necessity, we have created, in 1998, LB 1162, the Health Carrier Grievance Procedure Act and this says that you can't have an arbitrary decision on medical necessity. It has to be...it has to be based on standard practices, standard treatments, and if there's an adverse determination on medical necessity a covered person is entitled not only to an explanation, not only entitled to notice, but to written reasons and then a two-level grievance procedure, if needed, with time limits which must be adhered to. And those standard practices are for everyone who feel aggrieved that their insurance company is not covering medically necessary procedures. That is the standard way of doing business for everyone. It would be the standard way of doing business here. You may like it; you may not. That's what we've got going, and it's the way that medical necessity is generally handled for everyone. That's in answer to a question raised by Senator Beutler. I would urge the advancement of Senator Crosby's LB 1253 as amended.

SENATOR CUDABACK: Thank you, Senator Landis. We're discussing the advancement of LB 1253 to E & R Initial. There are no further lights on. Senator Crosby, did you wish to close?